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U.S. Congress. House.

Construction of the Alaskan Railroad

Washington

1921

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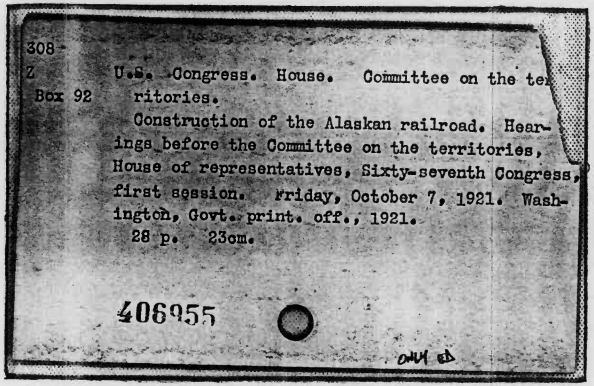

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CONSTRUCTION OF THE ALASKAN RAILROAD

HEARINGS

BEFORE THE

COMMITTEE ON THE TERRITORIES

HOUSE OF REPRESENTATIVES

SIXTY-SEVENTH CONGRESS
FIRST SESSION

FRIDAY, OCTOBER 7, 1921

WASHINGTON
GOVERNMENT PRINTING OFFICE
1921

COMMITTEE ON THE TERRITORIES.

CHARLES F. CURRY, California, *Chairman.*

ALBERT JOHNSON, Washington.	ZEBULON WEAVER, North Carolina.
CASSIUS C. DOWELL, Iowa.	WILLIAM C. LANKFORD, Georgia.
LOUIS T. McFADDEN, Pennsylvania.	EDWARD B. ALMON, Alabama.
EDWARD S. BROOKS, Pennsylvania.	PATRICK HENRY DREWRY, Virginia.
JAMES G. STRONG, Kansas.	JOHN E. RANKIN, Mississippi.
JOSEPH McLAUGHLIN, Pennsylvania.	WILLIAM J. DRIVER, Arkansas.
ALLEN F. MOORE, Illinois.	
CHARLES L. KNIGHT, Ohio.	
ALBERT B. ROSSDALE, New York.	
GEORGE P. CODD, Michigan.	
J. KUHIO KALANIANAOLE, Hawaii.	
DAN A. SUTHERLAND, Alaska.	

C. F. CURRY, Jr., *Clerk.*

MAR 28 1922

CONSTRUCTION OF THE ALASKAN RAILROAD.

COMMITTEE ON THE TERRITORIES,
HOUSE OF REPRESENTATIVES,
Friday, October 7, 1921.

The committee met at 1.30 o'clock p. m., Hon. Charles F. Curry (chairman) presiding

The CHAIRMAN. Gentlemen of the committee, we have met this afternoon for the consideration of H. R. 8442, to provide for an authorization for the additional appropriation necessary to complete the Alaska Railroad from Seward to Fairbanks. The original appropriation was for $35,000,000, which was further increased lated by an additional appropriation of $17,000,000. The bill calls for a further authorization of $3,110,210, which has been further increased by supplemental estimates submitted by the Interior Department to an amount that will equal $4,000,000. Mr. Finney, the Assistant Secretary of the Interior, will appear before the committee and give reasons for the increased cost. Mr. Finney is accompanied by Mr. H. M. Gillman, jr., of the Alaskan Engineering Commission, who will also appear before the committee.

I will include in the hearings at this point a copy of the bill and of the estimates of the Interior Department filed with the request for the authorization for the increased appropriation, and the letters of Assistant Secretary of the Interior Hon. E. C. Finney accompanying the same.

[H. R. 8442, Sixty-seventh Congress, first session.]

A BILL To amend an act entitled "An act to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes," approved March 12, 1914, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the act entitled "An act to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes," approved March 12, 1914, as amended, is further amended by adding at the end of section 2 a proviso to read as follows:

"*Provided further*, That in order to complete the construction and equipment of the railroad between Seward and Fairbanks, together with necessary sidings, spurs, and lateral branches, there is hereby authorized to be appropriated, in addition to all sums heretofore appropriated therefor, the sum of $3,110,210, to be immediately and continuously available until expended."

DEPARTMENT OF THE INTERIOR,
Washington, September 15, 1921.

Hon. CHARLES F. CURRY,
Chairman Committee on the Territories,
House of Representatives, Washington, D. C.

DEAR MR. CURRY: There is submitted herewith copy of estimate of additional funds required to complete construction of the Government railroad in Alaska in the amount of $3,110,210.

This amount is over and above the original $35,000,000 provided in the act of March 12, 1914 (38 Stat., 305), and the additional authorization of $17,000,000 provided in the act of October 7, 1919 (41 Stat., 293).

Col. Mears, chairman of the Alaskan Engineering Commission, has shown in the following estimates the justification of the increased cost. Col. Mears advises, in a letter submitting the estimate, that he was furnishing further details in support of the items listed, which details will be forwarded about

August 31. Copies of this additional data will be furnished you upon receipt in this office. In this connection your attention is respectfully invited to volume 2, pages 1915–1928, of hearings before House and Senate Committees on Appropriations in connection with the sundry civil bill for the year 1922, giving testimony of Col. Mears as to the necessity for additional funds. It will be greatly appreciated if you would introduce in the House of Representatives at as early a date as possible a bill in accordance with the attached form authorizing the additional amount required.

This estimate has been presented to the Director of the Bureau of the Budget and a copy of this letter has been attached thereto in order that said bureau may be advised of the action taken to obtain additional funds for the completion of the construction of the Government railroad in Alaska.

Respectfully,

E. C. FINNEY,
Acting Secretary.

No. 1.—ESTIMATES SUBMITTED BY THE INTERIOR DEPARTMENT FOR THE BUDGET.

Estimates of appropriations required for the service of the fiscal year ending June 30, 1923, by the Department of the Interior, Alaskan Engineering Commission.

Detailed objects of expenditures, and explanations.			Estimated amount which will be required for each detailed object of expenditure.	Total amount to be appropriated under each head of appropriation.
Construction of railroads in Alaska:				
To provide for completion of the construction and equipment of railroad between Seward and Fairbanks, in the Territory of Alaska, together with necessary sidings, spurs, and lateral branches, to be immediately and continuously available until expended				$3,110,210.00
Permanent snowsheds in Mile 50—				
760 lineal feet of snowshed, at $125		$95,000.00		
Less 100,000 feet b. m., at $25 M		2,500.00		
			$92,500.00	
Permanent waterway for discharge water at Spencer Glacier, Mile 54—				
15,000 cubic yards rock, at $1.50 per yard	$22,500.00			
20,000 cubic yards gravel, at 35 cents per yard	7,000.00			
5,000 cubic yards rock on dike, at $1.50 per yard	7,500.00			
		37,000.00		
150 feet steel through span with two concrete piers, as follows:				
300,000 pounds steel, at 10 cents per pound	30,000.00			
1,000 cubic yards concrete for piers, at $25	25,000.00			
1,000 cubic yards excavation, at $5	5,000.00			
40,000 feet b. m. deck timbers, etc., at $50	2,000.00			
False work	1,000.00			
Recovery of stringers and other material, 3,000 feet trestle, at 50 cents per foot	1,500.00			
Engineering and superintendence, 7 per cent	10,000.00			
		72,500.00		
			109,500.00	
Increased waterway for Glacier Creek, Mile 74. It is proposed to install a 55-foot span. The following is estimate of cost, the timber and iron for this installation being on hand—				
Erecting, 10 men, 6 days, at $7		420.00		
Framing, 10 men, 4 days, at $7		280.00		
Pile driving, 6 days, at $100		600.00		
34 piles, 1,000 lineal feet, at 30 cents		300.00		
			1,600.00	
Additional riprap along Matanuska Branch, 6,000 cubic yards, at $1.50			9,000.00	

***Estimates of appropriations required for the service of the fiscal year ending June 30, 1923, etc.*—Continued.**

Detailed objects of expenditures, and explanations.		Estimated amount which will be required for each detailed object of expenditure.	Total amount to be appropriated under each head of appropriation.
Construction of railroads in Alaska—Continued.			
To provide for completion of the construction and equipment of railroad between Seward and Fairbanks, etc.—Continued.			
Necessary bank widening between Matanuska and Talkeetna, including riprap at Mile 224—			
Mile 151 to 160, 1,000 cubic yards.			
Mile 161 to 166, 6,000 cubic yards.			
Mile 166 to 175, 2,000 cubic yards.			
Mile 175 to 186, 9,000 cubic yards.			
Mile 186 to 194, 6,000 cubic yards.			
Mile 194 to 202, 5,000 cubic yards.			
Mile 202 to 209, 4,000 cubic yards.			
Mile 209 to 216, 2,000 cubic yards.			
Mile 216 to 227, 6,000 cubic yards.			
41,000 cubic yards, at 60 cents per yard	$24,600.00		
7,000 cubic yards riprap, at $1.25 per yard	8,750.00		
		$33,350.00	
Additional riprap required along river section between Mile 233 and 249—			
Mile 233, 5,000 cubic yards, at $1.50	7,500.00		
Mile 236 to 249, 15,000 lineal feet riprap required estimated at 40,000 cubic yards, at $1.50	60,000.00		
Mile 245, 2,000 cubic yards, at $1.50	3,000.00		
Mile 247, 1,000 cubic yards, at $1.50	1,500.00		
In addition between Mile 227 and 249 it is estimated there will be required 13,000 cubic yards and bank widening, at 75 cents	9,750.00		
		81,750.00	
Additional riprap and ballast, Mile 249 to 264—			
Mile 255—			
2,000 cubic yards riprap, at $1.50	3,000.00		
15,000 cubic yards gravel for ballast and bank widening, at 75 cents	11,250.00		
Mile 263 to 264, 25,000 cubic yards bank widening and ballasting due to settling banks, at 75 cents	18,750.00		
		33,000.00	
Bank widening and ballasting, Seward to Mile 150—			
Seward to Anchorage—			
20,000 cubic yards ballast, at 50 cents	10,000.00		
20,000 cubic yards bank widening, at 50 cents	10,000.00		
2,000 cubic yards riprap Turnagain Arm, at $1.50	3,000.00		
Eagle River section, 2,000 cubic yards ballast and bank widening, at 50 cents	1,000.00		
Birchwood section, 1,000 cubic yards ballast and bank widening, at 50 cents	500.00		
Ekluina section, 2,000 cubic yards ballast and bank widening, at 50 cents	1,000.00		
Matanuska section, 2,000 cubic yards ballast and bank widening, at 50 cents	1,000.00		
Extra labor placing ballast, 50 men 40 days, at $5	10,000.00		
		36,500.00	
Tie renewals—			
20,000 ties, Mile 0 to 71.			
5,000 ties, Mile 71 to 114.			
20,000 ties, Mile 114 to 151.			
10,000 ties, Mile 151 to 211.			
5,000 ties, Mile 211 to 264.			
10,000 ties, Matanuska Branch.			
70,000 ties, at 75 cents each		52,500.00	
Painting Hurricane Bridge, Mile 264		2,650.00	
Installation 90-pound steel rails, including guard rails and automatic signal system, viz—			
Susitna River Bridge—			
1,650 track feet, at 60 cents	990.00		
Automatic signal system	1,200.00		
Hurricane Bridge—			
1,200 track feet, at 60 cents	720.00		
Automatic signal system	1,200.00		
		4,110.00	

Estimates of appropriations required for the service of the fiscal year ending June 30, 1923, etc.—Continued.

Detailed objects of expenditures, and explanations.			Estimated amount which will be required for each detailed object of expenditure.	Total amount to be appropriated under each head of appropriation.
Construction of railroads in Alaska—Continued.				
To provide for completion of the construction and equipment of railroad between Seward and Fairbanks, etc.—Continued.				
Ballasting and surfacing track, Mile 264 to 347—				
63 miles, at $2,500 per mile	$157,500.00			
Less track to be ballasted this winter, 13 miles, at $2,500 per mile	32,500.00			
		$125,000.00		
60,000 cubic yards bank widening, at 50 cents		30,000.00		
			$155,000.00	
Ballasting and surfacing track, Mile 347 to 412, 65 miles, at 2,000 cubic yards per mile—				
130,000 cubic yards, at $1		130,000.00		
20,000 cubic yards riprap, at $1.50		30,000.00		
			160,000.00	
Bridging Nenana River at Mile 370—				
3 121-foot trusses, at $25,000		75,000.00		
4 wooden piers, at $5,000		20,000.00		
2,500 cubic yards large riprap for 4 piers, at $5		12,500.00		
1 concrete pier—				
750 cubic yards concrete, at $30	$22,500.00			
1,000 cubic yards excavating, at $6	6,000.00			
10,000 pounds reinforced steel, at 6 cents	600.00			
1 cofferdam	12,500.00			
		41,600.00		
317.66 feet new trestle, at $35		11,125.00		
			160,225.00	
Bridging Tanana River at Mile 411—				
3,900 cubic yards concrete, Piers I and II.				
400 cubic yards concrete, Pier III.				
741 cubic yards concrete, two abutments.				
141 cubic yards concrete, 16 pedestals.				
5,182 cubic yards concrete, at $30		155,460.00		
16 tons structural steel in piers, at $240	3,840.00			
5½ tons old rails in piers, at $40	210.00			
48½ tons reinforcing bars in piers, at $240	11,700.00			
78,800 linear feet piling, at 65 cents	51,220.00			
		66,970.00		
1,200 cubic yards concrete, caisson I.				
1,890 cubic yards concrete, caisson II.				
3,090 cubic yards concrete, at $30	92,700.00			
5000,000 feet b. m. lumber in caissons I and II, at $100	50,000.00			
20 tons steel in caissons I and II, at $240	4,800.00			
		147,500.00		
Steel in superstructure, viz—				
425 tons nickel steel, at $320	136,000.00			
1,144 tons silicon steel, at $280	320,320.00			
1,341 tons carbon steel, at $220	295,020.00			
		751,340.00		
Pier and bank protection		6,000.00		
Foundation excavations—				
150 cubic yards north abutment, at $3	450.00			
2,545 cubic yards pier I (28 by 76 by 33), at $10	25,450.00			
3,350 cubic yards pier III (28 by 76 by 45), at $10	35,500.00			
1,200 cubic yards pier III (24 by 45 by 30), at $10	12,000.00			
1,200 cubic yards 16 pedestals (9 by 9 by 25), at $6	7,200.00			
800 cubic yards 2 abutments (24 by 36 by 25), at $6	4,800.00			
		85,400.00		
150,000 feet b. m. deck lumber, at $100	15,000.00			
15,000 pounds iron, at 12 cents	1,800.00			
		16,800.00		

Estimates of appropriations required for the service of the fiscal year ending June 30, 1923, etc.—Continued.

Detailed objects of expenditures, and explanations.			Estimated amount which will be required for each detailed object of expenditure.	Total amount to be appropriated under each head of appropriation.
Construction of railroads in Alaska—Continued.				
To provide for completion of the construction and equipment of railroad between Seward and Fairbanks, etc.—Continued.				
Falsework—				
884,000 feet b. m. for 709-foot span, at $100	$88,400.00			
64,200 pounds iron, at 12 cents	7,704.00			
26,300 linear feet piling, at 75 cents	19,725.00			
		$115,829.00		
19,000 feet b. m. lumber for 120-foot span, at $100	1,900.00			
1,800 pounds iron, at 12 cents	216.00			
		2,116.00		
Grading, etc., on line to change approach to Tanana Bridge—				
72 acres clearing, at $40	2,880.00			
10 acres clearing, at $80	800.00			
4 acres grubbing, at $150	600.00			
69,000 cubic yards unclassified, at $1	69,000.00			
31,000 cubic yards solid rock, at $1.50	46,500.00			
10,000 cubic yards frozen, at $1.20	12,000.00			
16,169 cubic yards common, at $1	16,169.00			
6,516 linear feet culvert logs in place, at 25 cents	1,629.00			
2,080 pounds iron in culverts, at 12 cents	249.60			
300 cubic yards foundation excavation, at 75 cents	225.00			
	150,052.60			
Add 10 per cent for overbreak, slides, etc.	15,005.26			
		165,057.86		
2 slidetracks		16,000.00		
Right of way, damages, moving buildings, etc., at Nenana Mission		2,000.00		
Transfer of bodies in Indian cemetery		500.00		
7.2 miles temporary telephone line, at $300	2,160.00			
7.2 miles permanent telegraph line, at $800	5,760.00			
		7,920.00		
7.2 miles labor track laying and ballasting, at $4,500		32,400.00		
South approach trestle—				
700 feet (4 pile, fill later), at $20	14,000.00			
800 feet, at $30	24,000.00			
800 feet, at $35	28,000.00			
880 feet, at $45	39,600.00			
		105,600.00		
4,000-foot spur to bridge site—				
1,000 cubic yards unclassified, at $1.25	1,250.00			
Tracklaying	3,600.00			
3 switches	750.00			
		5,600.00		
Temporary heating plants, complete		15,000.00		
Total		1,697,492.86		
Add approximately 10 per cent for engineering, supervision and contingencies		169,739.14		
				$1,867,232.00
Painting wooden bridge spans—				
18 121-foot through spans, at $300 each		5,400.00		
5 121-foot decks, at $300 each		1,500.00		
21 56-foot pony spans, at $150 each		3,150.00		
1 56-foot deck, at $150 each		150.00		
2 70-foot pony spans, at $200 each		400.00		
3 88-foot decks, at $250 each		750.00		
1 99-foot decks, at $280 each		280.00		
Total		11,630.00		
Add 10 per cent		1,163.00		
				12,793.00

Estimates of appropriations required for the service of the fiscal year ending June 30, 1923, etc.—Continued.

Detailed objects of expenditures, and explanations.		Estimated amount which will be required for each detailed object of expenditure.	Total amount to be appropriated under each head of appropriation.
Construction of railroads in Alaska—Continued.			
To provide for completion of the construction and equipment of railroad between Seward and Fairbanks, etc.—Continued.			
Rolling stock—			
5 stock cars built ol Panama flats, at $1,500	$7,500.00		
3 refrigerator cars, at $6,000	18,000.00		
3 passenger coaches, at $20,000	60,000.00		
		$85,500.00	
Section houses and pumping plants—			
Repairs to 15 log buildings to be used for section houses, at $1,000 each	15,000.00		
7 permanent pumping stations, one each at Miles 52, 275, 289, 313, 330, 358, and 387, at $9,000 each	63,000.00		
		78,000.00	
Constructing 6 miles of new line along the Nenana River—			
73 acres ol clearing, at $100	7,300.00		
60,000 cubic yards unclassified material, at $1.25	75,000.00		
200 linear feet of trestle, at $35	7,000.00		
6 miles of track, at $5,000	30,000.00		
10 per cent engineering and contingencies	11,900.00		
Other miscellaneous expenses	3,800.00		
		135,000.00	
Total		3,110,210.00	

Authority is granted to purchase during the fiscal year 1923, from the appropriation made for the construction and operation ol railroads in Alaska, articles and supplies for sale to employes and contractors, the appropriation to be reimbursed by the proceeds of such sales.

During the fiscal year 1923 there shall be covered into the appropriation established from time to time under the act entitled "An act authorizing the President ol the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes," approved Mar. 12, 1914, as amended, the proceeds ol the sale of material utilized for temporary work and structures in connection with the operations under said act, as well as the sales of all other condemned property which has been purchased or constructed under the provisions thereol, also any moneys refunded in connection with the construction and operations under said act, and a report hereunder shall be made to Congress at the beginning ol its next session.

STATEMENT.

In justification of increased cost of railroad construction over estimate at time $17,000,000 additional authorization was granted, attention is called to the following summary showing items covering work not contemplated at time original estimate was prepared; also certain increases brought about by rise in wages and prices ol materials and supplies:

Coal mining department	$342,362.23
Cost of steamship transportation for employees to Alaska in 1920, not figured in estimate of Dec. 31, 1919	57,112.00
Laying 90-pound steel in loop district, Seward subdivision	44,335.00
Loss in northern division during influenza epidemic, May, 1920	50,000.00
Snowsheds on Seward subdivision, in addition to amount estimated	248,500.00
Improvements required to control waters of Spencer Glacier, M. 55	109,500.00
Six miles ol line revision required along Nenana River, M. 370-M. 411	135,000.00
Repairs to branch 493 carried away by snowslide Apr. 6, 1921	48,805.00
Increase in cost of items carried in original estimates	2,079,887.21
Total	3,115,501.44

No. 2.—STATEMENT OF REASONS FOR INCREASED COST.

Statement showing reasons for increased cost of railroad construction, over estimate of Dec. 31, 1919, which indicated that the $17,000,000 additional authorization was sufficient to complete project.

I. NEW WORK (ALREADY COMPLETED OR CONTEMPLATED BY THESE ESTIMATES) NOT TAKEN INTO CONSIDERATION WREN $17,000,000 WAS ASKED FOR.

1. Coal-mining department:			
(A) Increase in wages—			
7 per cent Apr. 1 to Oct. 17, 1920	$4,900.00		
32 per cent Oct. 17 to Dec. 31, 1920	15,000.00		
32 per cent Jan. 1 to Aug. 31, 1921	47,133.00		
		$67,033.00	
(B) Loss at Eska Creek Coal Mines during strike in 1920	15,000.00		
(C) Proposed improvements—			
1. Washing and cleaning plant ($243,000) included in last year's statement, but now being paid for out of Navy Department funds.			
2. Narrow-gauge line, coal mine to washing plant	6,443.83		
3. Standard-gauge sidings	26,235.00		
4. Water tank	6,000.00		
5. Power plant	76,359.00		
6. Miner's new quarters at Eska	51,015.40		
7. Buildings at Sutton for coal washing	59,000.00		
8. High-tension power line, coal mine to washery	2,185.00		
		227,238.23	
9. Operation of Chickaloon Mine, Jan. 1 to June 30, 1920		33,091.00	
			$342,362.23
2. Cost of steamship transportation to Alaska, 1920, for employees, not figured in estimate of Dec. 31, 1919:			
203 first-class fares, at $45.75		8,287.25	
991 steerage fares, at $24.25		24,031.75	
183 steerage fares, at $29.25		5,352.75	
Cost of steamer *President* making trip from San Francisco to Port Townsend with 183 laborers and 7 mechanics		4,536.00	
Cost of transport *South Bend*—portion chargeable to transportation of laborers		9,905.00	
			57,112.00
3. Laying 90-pound steel in loop district, Seward Division, additional cost of 90-pound rail, 11 miles, 1,600 tons, less 1,245 tons, 355 tons	27,335.00		
Additional cost of fittings	4,000.00		
Cost of re-laying with 90-pound rail	13,000.00		
		44,335.00	
4. Loss in northern division during influenza epidemic May, 1920:			
Increased hospital expenses, loss of efficiency, and payment for sick leave	50,000.00		
			50,000.00
5. Snow sheds on Seward Division, in addition to amount estimated for:			
Estimated for, 1,280 linear feet.			
Constructed in 1920, 2,320 linear feet.			
Excess over estimate, 1,040 linear feet, at $150 per foot	156,000.00		
New snow shed, mile 50, 760 linear feet, at $125 per foot (less lumber on hand)	92,500.00		
		248,500.00	
6. Improvements required to control waters, Spencer Glacier mile 55			109,500.00
7. Six miles of line revision required along Nenana River, between miles 370 and 411			135,000.00
8. Repairs to bridge 493 carried away by snow slide Apr. 6, 1921			48,805.00
Total			1,035,614.23

Statement showing reasons for increased cost of railroad construction, over estimate of Dec. 31, 1919, etc.—Continued.

II. INCREASE IN COST OF ITEMS CARRIED IN ORIGINAL ESTIMATES.

	Estimate of Dec. 31, 1919.	Estimated cost on completion.	Increased cost actual and estimated.
Mile 264 to Mile 290:			
Grading, etc., including miscellaneous items	$1,834,260.98	$2,178,016.19	$343,755.21
Susitna Bridge	868,000.00	943,256.00	75,256.00
Hurricane Gulch Bridge	407,553.60	[1] 600,000.00	192,446.40
Mile 290 to Mile 315, grading, bridging, track, etc	1,416,972.60	1,444,918.90	28,846.30
Mile 315 to Mile 334.6, grading, bridging, track, etc	1,240,200.85	1,279,789.38	39,588.53
Mile 334.6 to Mile 347.3, grading, bridging, track, etc	888,714.20	1,008,162.37	119,448.17
Mile 347.3 to Mile 358.2, grading, bridging, track, etc	1,712,165.55	2,346,778.95	634,613.40
Tanana River Bridge	1,221,298.80	1,867,232.00	645,933.20
			2,079,887.21

[1] Estimated.

RECAPITULATION.

Total I. New work (already completed or contemplated by these estimates)	$1,055,614.23
Total II. Increase in cost of items carried in original estimates	2,079,887.21
Total items Nos. I and II	3,135,501.43

DEPARTMENT OF THE INTERIOR.
Washington, October 7, 1921.

Hon. CHAS. F. CURRY,
Chairman of Committee on the Territories,
House of Representatives.

MY DEAR MR. CURRY: Referring to my letter of September 15, transmitting copy of estimates for additional funds required to complete the construction of the Government railroad in Alaska, in the amount of $3,110,210.

I have received a wire from Col. F. Mears, chairman of the Alaskan Engineering Commission, presenting additional items supplemental to the above estimate, which will bring the amount required for the completion of the construction up to $4,000,000. A copy of the items is submitted herewith.

In explanation of the failure to incorporate these items with the estimate forwarded you on September 15, you are advised that the chairman of the Alaskan Engineering Commission had been requested to furnish separate estimates for presentation to the budget for maintenance and operation and construction. The estimates compiled by Col. Mears simply covered the requirements for the respective objects for the fiscal year 1923, and did not comprehend moneys that might be necessary for construction during the fiscal year 1924. As additional funds to complete construction require further authorization from Congress, it has been considered best to include all moneys necessary for completion of construction in one bill, regardless of the amount which can be utilized in each fiscal year.

This estimate of $4,000,000 will cover all the actual and necessary amounts required to complete the entire construction work.

Respectfully,

E. C. FINNEY, *Acting Secretary.*

ADDITION TO FOREGOING ESTIMATES.

1. Snowsheds (mile 50)	$87,500
2. Snowsheds (mile 76)	75,000
3. Filling bridges (mile 83)	78,500
4. Raising grade (mile 146)	18,000
5. 121-foot span, Matanuska River	25,000
6. Roundhouse at Anchorage (addition of 4 stalls)	21,000
7. Foundry and equipment at Anchorage	19,000
8. Car shop at Anchorage	19,100
9. Standardizing track Nenana to Fairbanks	546,690
Total	889,790
Fiscal year 1923	3,110,210
Grand total for construction	4,000,000

The CHAIRMAN. We will first hear from Mr. Finney.

STATEMENT OF MR. EDWARD C. FINNEY, FIRST ASSISTANT SECRETARY, DEPARTMENT OF THE INTERIOR, ACCOMPANIED BY MR. H. M. GILLMAN, JR., OF THE ALASKAN ENGINEERING COMMISSION.

Mr. FINNEY. Mr. Chairman and gentlemen: The Alaskan Railroad was authorized by the act of Congress of March 12, 1914, which act authorized to be appropriated for construction $35,000,000. After a thorough investigation in Alaska the commission reported in favor of constructing a road from Seward, having an ice-free harbor on the Pacific, to the town of Fairbanks, in the interior. That recommendation was approved by the President, and the construction of the road committed to the Department of the Interior, presumably because the Interior Department has control of a great many activities in Alaska, and because the road passed almost exclusively over public lands within the jurisdiction of the Interior Department. Construction was begun and has been proceeded with since that time.

The $35,000,000 was used up and by an act of Congress of November 4, 1919, an additional $17,000,000 was authorized to be expended to complete construction. A large portion of that has been used and the balance remaining in the fund is being used at the present time in the active construction of the road.

Mr. STRONG. How much is remaining in the fund?

Mr. GILLMAN. $2,381,166.22. That was on August 31. Available funds in excess of obligations.

Mr. SUTHERLAND. In excess of obligations?

Mr. GILLMAN. Yes.

Mr. SUTHERLAND. You have made contracts for steel and that sort of thing that would take that up?

Mr. GILLMAN. Those are the figures I have from Col. Mears taken from the weekly reports.

Mr. FINNEY. I may add to that, at the time of this report in August there were employed on this work a total, either directly by the Alaskan Engineering Commission or by contractors engaged in work on the road, a total of 3,995 men.

The total mileage of the road is 539.93. Of this amount 467.62 miles are main line between Seward and Fairbanks; 37.7 miles is a branch line from Matanuska Junction to Chickaloon, which is in the Matanuska coal fields; 2.7 miles is a spur leading from a branch line to the Eska coal mines; 31.91 miles is a branch leading from Happy Station to Chatanika.

The Alaskan Engineering Commission in the course of construction took over an old road known as the Alaskan Northern, leading from Seward to Cooks Inlet and rehabilitated that road. They also purchased a line from Fairbanks to Chatanika, known as the Nenana Valley Railroad, a narrow-gauge railroad. Some 7 miles of that road overlap the Government line and was utilized in the construction of the main line. The remainder of the road is a branch from Happy Station to Chatanika, which I have mentioned, 31.91 miles in length. So that the total mileage is, or will be, as stated, 539.93 miles, not including sidings and spurs.

During rehabilitation of the Alaska Northern, construction proceeded around Cook Inlet toward the town of Anchorage, also south out of that town and north toward Fairbanks in the interior. In the course of construction it was deemed advisable and necessary to construct the line from both ends. One reason for that was that the town of Fairbanks, the largest interior town in the Territory of Alaska, was in need of fuel. The proposed line of the road passes through coal fields, the nearest to Fairbanks being the Nenana field. So, in order to supply Fairbanks with fuel and to expedite construction, it was decided to work from both ends of the road. Therefore, construction was also begun at Nenana north toward Fairbanks, and south toward the Nenana coal fields.

The CHAIRMAN. You could build from both ends, because Fairbanks is on the Tanana River, and they could bring material by water up to Fairbanks and start from Fairbanks down and from Seward north.

Mr. FINNEY. That is quite right, Mr. Chairman. On October 1, 1921, there remained to be constructed 61 miles of track. That lies between mile 292 and mile 353.

The CHAIRMAN. Mile 292 means north of Seward?

Mr. FINNEY. North of Seward; yes, sir. On that date, as I say, there remained 61 miles to be constructed. In addition there are two large rivers to be bridged, the Nenana and the Tanana. Those Alaskan rivers are of such nature that a temporary structure will not stand. In the spring, when the ice breaks up and comes down with such tremendous force, it would sweep out any ordinary piling or trestle or anything of that sort, and so far such freight and material for construction as had to pass through or across those rivers has been either ferried across in the summer time, transported over the ice in winter, or taken over in trams. Of course, when the railroad is completed and actual passenger and freight operation is carried on, it would be absolutely not feasible to conduct business in that way. Therefore a large part of the $4,000,000 additional money asked for is to be used in building permanent steel bridges over the two rivers.

The CHAIRMAN. How long will the bridges be over the Tanana and the Nenana Rivers?

Mr. FINNEY. The bridge over the Tanana, including the approaches, will be approximately 1,340 feet in length. The bridge over the Nenana is approximately 600 feet.

Mr. STRONG. What is the construction to be?

Mr. GILLMAN. Neither bridge will be of a construction permitting of a single span to bridge the entire river.

The CHAIRMAN. The bridges, I presume, will be steel bridges, with reinforced-concrete piers?

Mr. GILLMAN. The Tanana bridge will be of steel resting on concrete piers. The Nenana River bridge will, I understand, be heavy timbers on concrete piers.

Mr. FINNEY. The estimated cost of the longer bridge, over the Tanana River, which bridge will be of steel with concrete piers, is estimated at $1,867,232. The bridge over the Nenana River, being a much shorter bridge, is estimated at $160,000. The balance of the $4,000,000 asked for will be utilized in completing the 61 miles not yet constructed, the standardization of the line from Nenana to Fairbanks, etc.

The CHAIRMAN. What has been done on that 61 miles?

Mr. GILLMAN. The grading is practically completed, and to date they have laid further than mile 292. They expected on October 10 to reach mile 316 with the steel.

Mr. FINNEY. I might say, Mr. Chairman, that with the money remaining in the existing appropriation the chairman expects to make the rails meet over this 61-mile space, but that does not mean a completed railroad. It simply means the laying of the steel so it will be possible to put a work train over it.

The CHAIRMAN. That is what I was trying to get into the record, that with this $2,381,166.22 now available the grading and the laying of the steel will be completed.

Mr. FINNEY. Yes; but that does not include the ballasting and the putting of the track in condition for freight and passenger traffic.

The CHAIRMAN. Yes; in addition to that the track must be ballasted and put in condition and also these bridges built, and the narrow gauge has got to be standardized. How much of that narrow gauge is there to be standardized?

Mr. GILLMAN. Fifty-six miles.

Mr. FINNEY. That is, from Nenana to Fairbanks.

The CHAIRMAN. Can you use the rails on the narrow-gauge road?

Mr. GILLMAN. Not all of them. We have to get 70-pound steel.

Mr. SUTHERLAND. There are a few 70-pound rails on that line.

Mr. GILLMAN. Yes.

Mr. FINNEY. I may say, Mr. Chairman, that the grading is wide enough and the ties are long enough for a standard-gauge track, but the rails are not heavy enough.

The CHAIRMAN. You have to have 70-pound rail to standardize the narrow gauge and I suppose you have now 40-pound rail on the narrow-gauge portion of the road?

Mr. GILLMAN. That is right.

Mr. FINNEY. In addition, the commission has itemized a number of fills necessary to be made, bank protection where the track passes along the river, additional rolling stock, pumping plants, clearing, and miscellaneous operations necessary to complete the railroad and put it in shape for operation from one end to the other for both freight and passenger traffic.

The $4,000,000 is believed to be an absolutely safe estimate for completing the road. In the first place, it has been very carefully made, and, in the second place, we hope that there will be some reduction in the cost of both labor and materials during the next few years. So we feel very confident that with this amount the road can be completed.

Mr. STRONG. When do you figure now that the road will be completed?

Mr. FINNEY. I am not a prophet.

Mr. STRONG. There is no prophet in Alaska.

Mr. FINNEY. For a time it had been estimated that the road would be completed on the 1st of January, 1921.

Mr. GILLMAN. May I say that I think when the estimate for $17,000,000 was presented it was anticipated the railroad would be completed in December, 1922.

The CHAIRMAN. That was when they expected to complete the road—by the end of December, 1922.

Mr. FINNEY. It is very safe to say that it will not be completed by that date, I rather think, however, that it should be practically completed by the end of the year 1923, but that is only an estimate.

Mr. MOORE. You suggested that the cost of labor and material may be less in the next few years, and you estimate that it will be completed within the next three years.

Mr. FINNEY. That would be two years.

Mr. STRONG. When we were asked to appropriate $17,000,000, the committee was informed, or in our talks with the engineers I was given to understand that the connecting link, which was then represented to be in the neighborhood of 100 miles, would be the first part completed, so that they might have access to the open port of Seward for the maintenance of the work, but it seems that only half of the gap has been filled in two years, while $15,000,000 has been expended. Why has the filling of the gap been delayed?

Mr. FINNEY. One reason is that it has been necessary to construct certain bridges over the Susitna and other rivers, and because efforts have been necessarily expended in making the track up to the point where it stands now usable. They have been going steadily on.

Mr. SUTHERLAND. I think there were more than 100 miles to be completed.

Mr. GILLMAN. The balance of the track to be laid at the time we received the first $6,000,000 of the $17,000,000, on November 4, 1919, was 162 miles. That was between miles 237 and 263, and between mile 417 and mile 453.

The CHAIRMAN. As I understand it, however, with the $17,000,000 appropriated the rails will meet, but those bridges can not be constructed nor the road ballasted nor the narrow gage standardized?

Mr. FINNEY. That is correct. This [indicating] is a sample of the bridges it has been necessary to construct. This [indicating] is the bridge over Hurricane Gulch, having a long, steel, arch span.

To my mind, it is really a waste of time to discuss the question of whether the road should have been undertaken in the first place, or whether rapid enough progress has been made since it was authorized. The situation as we find it to-day is that the railroad was authorized and that approximately $52,000,000 of public money has been or will be expended. Now, in order to fill gaps and complete the road it will be necessary to put up $4,000,000 more to finish the 61 miles and to construct those two bridges over the Tanana and Suisitna Rivers.

Mr. STRONG. But when we go on the floor of the House we will be asked to explain why we made certain positive statements two years ago in regard to the completion of the railroad and why the statements we made then have turned out to be inaccurate.

Mr. GILLMAN. I think that that is fully set forth in this statement that you will find in connection with the estimates. These statements, prepared by the commission, explain the reason for the additional costs.

The CHAIRMAN. I intend to have that estimate and statement included in the hearing.

Mr. RANKIN. What is the population of Fairbanks?

Mr. GILLMAN. I think that the population of Fairbanks has dwindled down to somewhere close to 1,000.

Mr. SUTHERLAND. No.

Mr. RANKIN. The entire population of Alaska is about 30,000.

Mr. SUTHERLAND. There are 31,000 whites.

Mr. RANKIN. How many Eskimo?

Mr. SUTHERLAND. There are 55,000 altogether.

The CHAIRMAN. Including Eskimo, Indians, and whites, according to the 1920 census, Alaska had a population of 54,899, of which 27,883 were white, 26,421 Indians and Eskimo, 128 Negroes, 56 Chinese, 312 Japanese, and 90 all others.

Mr. SUTHERLAND. The population of Fairbanks is over 2,000, but the population of the surrounding farming section will bring it up to about 5,000. There are probably 5,000 white people in that division.

The CHAIRMAN. I think there are about 5,000 white people in that division, and about 2,000 in the city of Fairbanks.

Mr. RANKIN. What is in there to be hauled over this road that is so important as to authorize its construction to Fairbanks?

Mr. SUTHERLAND. The agricultural possibilities are largely to be considered. There is the mining industry and the road is required for the transportation of fuel. The mines are now largely suspended, but they hope to bring fuel from the Nenana coal fields through which this railroad passes.

Mr. FINNEY. This road passes through four separate mining districts, and it passes through two coal fields. It passes through several valleys which have demonstrated agricultural possibilities. The recent report of the governor of Alaska instances the case of one settler in a valley near Fairbanks who raised a wheat crop this season which sold for $3,500.

Mr. RANKIN. I think the testimony before this committee some time ago was to the effect that from the agricultural standpoint Alaska was a failure, and what I wanted to know about was the mines and the other natural resources to be served by this road. I wanted to know whether or not they are spending this money out there without any possibility of a return coming in to the Government for it.

Mr. FINNEY. I will give you some data on that subject. As a preliminary I want to say that the revenue of the railroad for the year ending June 30, 1921, totaled $339,685. It is estimated, or it is an anticipated possibility, that when completed the revenue from the Government railroad will aggregate $989,685. Now, that estimate is based not so much on the agricultural and mining development as upon the anticipation that the freight and passenger business now going over other routes, water and overland, will pass over the railroad. I have a statement here from the commission showing how much cheaper supplies can be hauled over the railroad than by the present method. The rate on hay, grain, and potatoes from Seattle to Fairbanks, by way of St. Michael and the Yukon River, is $70 per ton, and by way of Skagway and the White Pass and Yukon Railroad, it is $66 per ton. The rate on the same commodities, by way of the Government railroad, in carload lots, would probably be $30 per ton. The rate on mining and agricultural machinery, by way of St. Michael, is over $70 per ton, and by way of Skagway, $60 per ton, while by way of the Government railroad it would be $40 per ton. The rate on dry goods, boots, shoes, and clothing, by way of St. Michael, is $93 per ton, and by way of Skagway, $107 per ton, while by way of the Government railroad it would be approximately $75 per ton.

Mr. STRONG. That is the rate per ton?

Mr. FINNEY. Yes, sir.

Mr. STRONG. That is estimated?

Mr. FINNEY. That is the positive rate.

Mr. SUTHERLAND. That is the tariff now.

Mr. STRONG. That will be the rate when the road is completed?

Mr. FINNEY. I am speaking of the present tariff. By way of the Government railroad the rate is approximately $75 per ton.

Mr. GILLMAN. In the wintertime they freight stuff over the gap, and they have done it some during the summer time. Of course, when the rails are laid clear through the overland haul will be eliminated, thus reducing somewhat the cost of transportation.

Mr. STRONG. That estimate includes the overland haul and the haul across the river?

Mr. GILLMAN. That means when they get the rails through.

Mr. STRONG. The rate is $70 per ton?

Mr. GILLMAN. Approximately; yes, sir; but that is decidedly less than the rate on the other two routes.

Mr. FINNEY. The rate is $93 by way of St. Michaels at the present time, and by way of Skagway it is $1.07. Those rates apply to Fairbanks delivered, and, of course, they will be less for intermediate points.

The CHAIRMAN. The statement was made just now that the agricultural possibilities of Alaska are not very great. I think that they are great. I think that there are great agricultural possibilities in Alaska. Of course, the development of the agricultural possibilities depends upon a farming population going up there and making it their home—taking up the land and cultivating it. There must also be the chance of merchandizing the agricultural products. Under the existing conditions in Alaska, of course, there is no opportunity for a man to go up there and take up 160 acres of land. If the conditions are changed so that people will be encouraged to go to Alaska and engage in agriculture, I think there are great agricultural possibilities.

Mr. FINNEY. There is no doubt but what there is an enormous acreage of lignite or low-grade bituminous coal in the Nenana field, through which this road passes. That coal is now being used in Fairbanks for fuel, and that field will supply an almost unlimited amount of fuel for local needs. That is not a high-grade coal suitable for export, however, but it will be extremely valuable for local development purposes. In the Matanuska field, which was exploited a number of years ago, the coal is of a very high grade, but, as you know, the amount of workable coal has not been definitely demonstrated. In other words, the field is badly faulted and there has been no large commercial development, nor has any very large block of commercial coal been definitely blocked out, unless it be as the result of the recent drilling by the Navy Department.

The CHAIRMAN. How is that coal along the Nenana River?

Mr. FINNEY. That is lignite, or the low-grade bituminous coal that I spoke of. It is there in vast quantities, and it is available for local use, but I do not believe it will stand exporting.

Mr. SUTHERLAND. They are using that coal in Fairbanks now. They are mining it and are laying the track on the ice where the bridges should be. They lay the track on the ice where the bridges should be and haul the coal to Fairbanks.

Mr. RANKIN. Where is the mine that the Government opened up by using a part of the appropriation of $17,000,000?

Mr. FINNEY. That is kuown as the Eska district of the Matanuska coal fields.

The CHAIRMAN. That is good coal?

Mr. FINNEY. That is high-grade bituminous coal.

The CHAIRMAN. Admiral Coontz, the Chief of the Bureau of Operations of the Navy Department, told me that that coal was of sufficiently high grade for Navy use.

Mr. FINNEY. That is true.

Mr. STRONG. Has it been opened up in large enough quantities for that purpose, or can it be furnished in large quantities?

Mr. FINNEY. No, sir; it has not. To be perfectly frank with the committee, it has not been opened up so as to furnish large quantities. The field is badly faulted, and, so far as I know, there has been no very large amount blocked out.

The CHAIRMAN. I have a statement here that I will put in the record showing what it cost to open that mine. It was $202,413.27 that was used out of the appropriation that was made for the construcion of the railroad to open this mine. That was turned over to the Navy Department.

Mr. FINNEY. That is the Chickaloon mine.

The CHAIRMAN. Yes. That was turned over to the Navy Department, and the Navy Department has $1,000,000 appropriated to further prospect for and develop the coal mines.

Mr. STRONG. In spite of that there has not been coal enough discovered to furnish in any considerable quantities.

Mr. GILLMAN. That is in the Chickaloon district, not the Eska.

Mr. STRONG. What I am trying to get at is this, that more than $200,000 has been expended to open a mine that will not furnish much coal.

Mr. FINNEY. They have taken out coal from the Eska mine ever since 1917 for the use of the railroad or in connection with the railroad. I have the tonnage statement right here.

Mr. STRONG. Will you read it?

Mr. GILLMAN. Let me say right here that there seems to be some little confusion as to these mines. There are two mines, one the Eska mine, from which the commission has mined coal for railroad purposes since 1917 in the Matanuska field, and further up the line they opened up a mine at Chickaloon, which mine is the one that the Navy has taken over and is now developing.

Mr. FINNEY. The Eska mine from June 19, 1917, to October 31, 1917, produced 11,477 long tons of coal, mined at a cost of $5 per ton; from June 18, 1917, to October 31, 1917, it produced 483 short tons of coal mined at a cost of $6 per ton; from November 1, 1917, to February 28, 1918, it produced 11,404 short tons of coal, mined at a cost of $5.35 per ton; from March 1, 1918, to April 30, 1918, it produced 99 short tons of coal, mined at a cost of $5 per ton; from March 1, 1918, to November 31, 1920, it produced 110,130 short tons of coal, mined at a cost of $6 per ton; from November 1, 1920, to March 31, 1921, it produced 31,403 tons, mined at a cost of $7 per ton. Now, that coal was mined for use on the railroad and in the construction work, and some small amounts of it were used in the Government town of Anchorage. Of course the Government is not in the commercial coal mining business. We have made an effort to secure the development of these coal fields under the Alaska coal leasing act, and several leases have been granted. They have expended about $90,000 in preliminary work.

Mr. RANKIN. What authority did they have for expending this money in opening up mines? Was that authority given in the law passed two years ago?

Mr. FINNEY. That was supposed to be under the general authority contained in the act, to do any and all things necessary to aid in the construction and operation of the railroad. It was necessary to have fuel, and it was conceived that it could be had at less cost and with less delay by opening up a mine along the line of the railroad than it could have been done by importing it from Washington or British Columbia.

The CHAIRMAN. They could have mined more coal if they had wanted to, but they mined what was needed?

Mr. FINNEY. Yes, sir.

Mr. GILLMAN. Some of that coal was sold under Executive order over a year ago to residents of the town of Anchorage.

Mr. FINNEY. That was only to help out in a fuel shortage. It is not the policy of the department to compete with private operations.

Mr. SUTHERLAND. There is one concern mining coal for use at Anchorage in the area adjoining the Eska mine.

Mr. FINNEY. I want to be entirely frank with the committee, and I will say that this Matanuska field has not been so blocked out that we can say there are 5,000,000 tons, 10,000,000 tons or any other large amount of minable coal there. Exploration work is going on now by means of diamond drilling and tunnelling by the Navy on the land set apart for their use, and there are two or three private lessees there beginning operations under Government leases. The sensible thing to do is to try to block out the location and workability of the coal deposits before spending further money in other operations. That condition is due largely to the faulting of the field, giving rise to uncertainties that can not be removed except by some sort of underground explorations.

Mr. STRONG. Is the railroad completed down as far as the Nenana coal field?

Mr. FINNEY. Yes, sir.

Mr. STRONG. Are those mines in operation?

Mr. FINNEY. There are two mines there operated by private parties who are mining a small amount of coal. I think they are mining about 1,000 tons per month, and that coal is being used for local needs in Fairbanks and its vicinity.

Mr. STRONG. Will it supply those needs?

Mr. FINNEY. Yes, sir. That coal is present in immense quantities, but it is of a low grade.

Mr. STRONG. In 1919 Mr. McPherson made this statement to the committee:

"Of the total of 545.2 miles of main line and branches, 367.23 miles have track in place and are to-day in operation. All the remaining portion of the line, with the exception of 100 miles from mile 265 to mile 365, is in various stages of completion."

Now, could we have a statement as to how much line is in operation to-day, and as to how much still remains to be built?

Mr. GILLMAN. You will find that on the second page of that statement.

Mr. FINNEY. The total mileage constructed and under operation on October 1, 1921, was 478.93 miles, and there remained on that date of track to be laid 61 miles.

Mr. STRONG. Is any part of the 61 miles graded?

Mr. FINNEY. It is graded, but the rails and ties are not down.

Mr. STRONG. What is the estimate as to how long it will take to complete that unconstructed portion of the track so as to get traffic clear through on the railroad?

Mr. GILLMAN. It is estimated that the balance remaining from the $17,000,000 will complete the construction work so that traffic can be gotten through.

Mr. STRONG. From Seward up to the Nenana River?

Mr. GILLMAN. Up to Nenana, with the exception of the crossing of Nenana River at mile 370, where a transfer would have to be made. It is estimated that the gap will be closed by early spring of next year.

Mr. STRONG. So that you can run trains over it?

Mr. GILLMAN. You could run light trains over it.

Mr. STRONG. It seems to me that if the connection could be built so that you could operate trains even slowly over the road it would facilitate the completion of the work.

I would like to say this, that I am in full sympathy with the idea of completing this work, but it was rather a surprise to me to know that our appropriation of 1919 had run short. This is the first I knew of it. I am convinced from the information we had regarding Alaska two years ago that it is the great storehouse of this country, that it should be opened up, and that this railroad will be the thing that will develop and open it up, if the department will only assist the laws to be so readjusted that people may be induced to go in there and develop the country after we get the railroad finished.

Of course, if they continue their present policy, that will not be done, and I think that you had as well not build the railroad at all. However, if you will help us to open up the country and let the people of the United States go there and develop it, then this railroad will be absolutely of great benefit and necessary, and I think the money spent for it will be a wise expenditure. I am very much in favor of the completion of the road, whether it costs $3,000,000, $4,000,000, or $5,000,000, but I am surprised to know that the appropriation has fallen short. I hope the amount of this estimate will complete the road but I do not want any questions that I may ask to be taken as an indication of any antagonism to the completion of the road.

Mr. FINNEY. Another feature of interest along the line of this railroad is the Mount McKinley National Park, authorized by Congress a few years ago. It lies from 12 to 15 miles from the line of the railroad, and in the park is Mount McKinley, the highest peak in North America, being 20,300 feet high. There has been no particular development in the park. By that I mean no housing facilities for tourists, but the man in charge reports that there have already been some tourists in the park.

Mr. MOORE. Is your estimate of $100,000 for passenger traffic based largely on anticipated tourist traffic?

Mr. FINNEY. No; it is not, because in the past year we had a passenger revenue of $91,000. So you see we are not estimating a very large increase. I mentioned the park because I do believe that in the course of a few years there will be a considerable tourist travel to this national park.

Mr. STRONG. Is the Department of the Interior taking any decided steps toward opening up the country so that it can be developed or are they going to wait until after the railroad is built.

Mr. FINNEY. Well, Secretary Fall has been making preliminary studies and investigations of the situation.

Mr. STRONG. We have been doing that ever since we owned the Territory, have we not?

Mr. FINNEY. But the present Secretary has not been in office very long.

Mr. STRONG. By the time he makes his investigation somebody else will come in and then they will have to make investigations. It seems to me somebody ought to take somebody else's investigations, and go ahead with a plan of opening up that country, so that it can be developed.

Mr. FINNEY. I quite agree with that.

Mr. STRONG. I think it is a crime that America has owned that great storehouse all of these years and not made it possible for the people of America to go up and possess it, and open it up and develop it.

Mr. FINNEY. Well, I think there is considerable force to your remarks, but you must recollect that it took 25 or 30 years to open up the lands of Montana and other of our mountain States and you can not pioneer in a day. I agree with you that the time has come when some effort should be made to build up some traffic over this railroad and develop the Territory, but certain modifications of the law are necessary in order to justify people in going there.

Mr. STRONG. My judgment is that there has been an endeavor to obstruct development rather than to encourage development. I may be mistaken, but that is the idea I have gotten.

Mr. FINNEY. Well, for a time there was a feeling that Alaska was being exploited, and withdrawals were made, and all that sort of thing, which tended to discourage immigration to the territory and its development; but I think that feeling is past, and I believe it is going to be the policy of the present administration to develop those resources, and to encourage people in every way to go up there.

Mr. STRONG. That is what I wanted you to say, and I hope that policy will be carried out.

The CHAIRMAN. On another bill we will have the Secretary of the Interior, the Alaskan Engineering Commission, and Mr. Finney before us. That bill will have reference to the opening up of Alaska. Alaska has got to be opened up or else we have got to stop any idea of its being populated with good American citizens, and turn it over to the Eskimos, Indians, and Federal officials and let them have it. I think the administration is in favor of the opening up of Alaska and that Congress is in favor of it. We will find that out on another bill later on. I know this committee is in favor of it.

Mr. STRONG. This railroad is absolutely necessary for the development of Alaska, but the question may come up as to whether or not it is wise to build the railroad in a country that we are not going to permit to be developed.

The CHAIRMAN. But the railroad is started and nearly completed. It is like a house with four sides up that you must put a roof on or it will go to pieces or else lose the money you have put in it.

Mr. STRONG. I am very much in favor of the opening up and development of Alaska, and to that end I am very much in favor of the completion of this railroad, but I would like to see some steps taken by the department which will tend to encourage people to go there. If I were in the House and without the knowledge that we secure by service on this committee, one thing I would want to know when I voted more money to complete this railroad would be whether or not the department was going to open up Alaska so as to make the railroad of use.

The CHAIRMAN. Mr. Finney can only speak for the Interior Department.

Mr. FINNEY. I can assure you that that will be the policy of the Interior Department, and where we find it necessary to have existing laws modified we will be before you with recommendations.

Mr. STRONG. I know that Secretary Lane was very positive in his ideas, and we agreed entirely as to the development of Alaska, but since he has been called to another world there does not seem to be very much push in helping to get legislation to develop Alaska or to permit Alaska to be developed. I will put it that way.

Mr. FINNEY. Well, we want, if possible, to avoid theories and get something practicable, something that will really induce people to go there.

Mr. STRONG. I think the thing that will do that will be opening it up to settlement by taking off the restrictions and let somebody go there that can make a home and make some money out of it; not to exploit it, but to give people a real opportunity to get something for the fruits of their labor and the hardships they must endure when they go there.

Mr. FINNEY. From 1906 to 1914 coal was absolutely withdrawn. In 1914 Congress passed the coal leasing act. Now, it is true that development has not been very rapid under that act. One reason was that there were no railroads at that time into any of these fields, but now the Government railroad has tapped the Matanuska and Nenana fields.

Mr. DOWELL. What is the coal situation up there?

Mr. FINNEY. In the Matanuska field the Government has two private leases outstanding. A mine has been operated by the Alaskan Engineering Commission for the purpose of mining coal for railroad purposes and to supply, to a limited extent, some local needs, and the Navy is there with an appropriation of $1,000,000. They are operating with the diamond drill now, to find out whether there is a sufficient area of coal suitable for Navy uses. That is what has been done up to the present time in the Matanuska field.

Mr. DOWELL. Have there been sufficient developments so that you know how much coal can be depended on?

Mr. FINNEY. No; it will require considerably more exploration before any definite conclusions can be reached.

The CHAIRMAN. I have a short statement here from the Scientific American of September 24, 1921, which I will put in the record at this point if there is no objection. The Scientific American is rather careful as to what it publishes in its columns.

(The statement referred to follows:)

"ALASKA'S COAL FIELD.

"One of the elements that makes it almost futile to estimate the length of the period during which the human race will have coal available to meet its power and heating needs is the existence of deposits that have never been worked. All over the world these are to be found; and naturally, little is known about the character of the coal that they will give or the amount that we may hope to extract from them. They vary in size from the one-man deposit in a country where coal-mining is not generally indulged in—in eastern Ohio it is an unfortunate farmer who has not got on his land at least one coal outcrop which he could work if he wanted to—to the millions of tons known to underlie a large part of the area of China.

"Among the deposits of this character that should be of more immediate interest are those of our own northern province of Alaska. It is estimated that these coal fields cover some 20,000 square miles; and it is known that the coal is of the highest grade and of great thickness. Our photograph is taken along the Tanana River, and shows two veins, each 40 feet in thickness, outcropping one above the other. In this region there is coal enough to make amply worth while the development of the district; but the Federal Government's regulations, to put the case mildly are not such as to encourage the undertaking; while the transportation costs to any point of large consumption are so problematical as to make it problemmatical when the deposits will be worked. But they are always there, constituting a material reserve of coal against acute emergency."

In Oregon, California, and on the west coast they could use a great deal of this Alaskan coal if the conditions were such that they would encourage the development of these coal fields. These great deposits are not of the lowest grades, but of the lower grades of soft coal, and it could be used in manufacturing plants and by the railroads, etc., of the West if they could get it. Of course, it has to be mined. There is a photograph of two 40-foot veins of coal, not of the highest grade, but high enough for commercial purposes and good enough for commercial purposes. Of course, this coal would not be such as the Navy would wish to use, but they are developing mines that they say will produce coal fit for Navy use.

Mr. STRONG. In the Matanuska field?

The CHAIRMAN. Yes. Out of this appropriation which we made there was $202,413.27 used for the development of one of these mines. It was turned over to the Navy, and the Navy has not reimbursed this fund and does not intend to do so. It is using the $1,000,000 that was appropriated for the use of the Navy Department for the further development of this field and for pioneering in other fields. Admiral Coontz told me he thought they would find all the coal they needed, and that the coal they are now mining is of the highest quality and grade.

Mr. MOORE. Are they getting out coal for the requirements of the Navy or do they still have Australian coal in the bunkers there?

The CHAIRMAN. They have Australian coal there, but they are getting out this coal. It is in the development period, and it takes a lot of time and money to develop a coal mine. The coal on top is not as good as that underneath, but they have found a coal that will suit the Navy, just as high-grade coal as there is anywhere, and they are now pioneering. As I say, they have found this coal and are developing the mines, and I think they will find it in sufficient quantities; I do not think there is any question about that. This other coal, which the Navy would not want to use, could be used in other ways.

Mr. DOWELL. Is there any assurance that the amount provided in this bill will fully complete this railroad?

Mr. FINNEY. There is. I am very confident it will do so, for the reason that of the 539 miles all have been constructed except 61 miles. The engineer in charge reports that with the funds now available he will be able to lay steel rails across those 61 miles, and therefore the amount asked in this bill is for the purpose of completing that work; that is, ballasting and things of that sort, and for building two bridges across the Tanana and Nenana Rivers. There are two very large rivers up there that require large steel-span bridges. It has narrowed down so

that we have not any 500 miles to think about, 400 miles, or 100 miles. It is a small gap and these two bridges.

Mr. DOWELL. But we have had those 61 miles for some time.

Mr. FINNEY. No. When the additional amount was asked for we had 162 miles to build, but now we have 61 miles, which, as I tell you, will be partly completed with the money already appropriated. This is a very conservative estimate and a very careful one. I think it goes into quite a bit of detail. I do not think there is the shadow of a doubt that this amount will be sufficient to complete that road.

The CHAIRMAN. I have gone carefully over this estimate and it seems to me to be the most carefully prepared estimate that has ever been submitted to this committee.

Mr. DOWELL. One other question. When this is completed, as suggested, what further expenditures will be necessary or will be asked of Congress to put it in operating condition?

Mr. FINNEY. That is rather a hard question to answer. It will be necessary for Congress to appropriate for the expense of operating and maintaining the railroad such amounts as are necessary to make up the cost less the revenues. Before you came in I stated that the revenues from the railroad during the past year were approximately $339,000. It is estimated that when the railroad is completed, so that it can carry freight from Fairbanks to the ocean, that the annual revenues will be $989,000. That is based on the diversion of a lot of traffic that has gone away around by the rivers, and which is demonstrated to cost nearly twice as much as it will over this road.

The CHAIRMAN. Have you estimated how much the cost of maintenance will be after the road is completed?

Mr. FINNEY. The only thing we have is the estimate that is put in for the year 1923. That estimate was $1,662,000, which the commission said would be unusually high because it was the first year for which they had made a specific estimate for operation and maintenance.

The CHAIRMAN. Do you not think that after the railroad is completed the traffic will increase materially?

Mr. FINNEY. There is no doubt of that.

The CHAIRMAN. So that the operating expenses will decrease and the revenues will increase.

Mr. FINNEY. Yes, sir.

The CHAIRMAN. So that probably it will not be long until it is nearly self-sustaining. Anyway, there would be no more authorizations asked from this committee. Anything further would simply be a matter of maintenance that would come through the Appropriations Committee on estimates made through the budget.

Mr. FINNEY. It would simply be a question of operating the road and maintaining it.

Mr. STRONG. When one makes a study of the resources of Alaska he can not help but reach the conclusion that this road, if those resources are allowed to be developed, will be a profitable road. The only point I am trying to urge is that it seems to me that while we are building this road we should go ahead with the development of Alaska, so that when it is completed there will be people up there and industries up there and the resources of Alaska started toward development, all of which would result in giving this railroad the business it should have. There is no use of delaying that I can see. If we had commenced two years ago to open up the Territory and develop its resources, we would be pretty well along toward increasing the population and furnishing traffic for a railroad.

The CHAIRMAN. When this road is completed and the soft-coal fields are opened up, as they ought to be, San Francisco alone will pretty nearly take enough of that coal to make the running of the road not an expense to the Government.

Mr. SUTHERLAND. Let me make a statement with reference to the possibilities of the freight. I have a letter from a man who, I think, is the biggest mine operator in Alaska. I wrote and asked him about the shipments of ore last year from his Kantishna mine, and in his reply he says:

"The above figures all apply to the first season, in which I mined 700 tons of $200 ore and lost money, for it must be borne in mind that horses, feed, supplies, etc., have all to be shipped in before ore is shipped out. Last winter I mined a similar amount, and am now shipping same, and expect to make an even break on the proposition and quit quartz in the interior for all time, as freight and smelter charges are prohibitive."

Mr. STRONG. Here is a country that not only has gold, silver, lead, zinc, copper, and oil, but has great opportunities from the development of its forests and the cultivation of its fertile valleys, and yet the building of the railroad will amount to nothing if people are not allowed to go up, develop, and use those resources. If during the next two years that it is going to take to complete this road we can get the Government, of which we are all a part, to permit those resources to be developed, then when the road is completed a great business will flow over it, and it will not cost the American people a great sum to operate it.

Mr. RANKIN. What is to prevent them from going there now, Mr. Strong?

Mr. STRONG. Red tape of every kind on earth, preventing both settlement and development.

Mr. SUTHERLAND. As one little illustration, I have a bill on the Unanimous-Consent Calendar of the House that has been pending in Congress five years, granting agricultural rights on mineral lands. That bill has been stalled and I do not know whether we can pass it at the present. That is one of the things.

The CHAIRMAN. Before a man can prove up on 160 acres of land in Alaska and secure a patent he has to get the permission of five different bureaus.

Mr. SUTHERLAND. Eleven years ago the right of entry on mineral land for agricultural purposes was extended to every State of the Union, but we can not get it extended to Alaska. There is one section in which 52 homesteaders want to get title to the land. They have been there a number of years, but they can not do it under the law. I have a letter from a man who went up there as the representative of an organization of farmers and he says that is one of the difficulties, that you can not get title to the land. He purposed establishing a colony on this land near Cooks Inlet, a very fine piece of agricultural land.

Mr. FINNEY. And underlaid with coal?

Mr. SUTHERLAND. Yes, sir.

Mr. STRONG. What is the policy of the department?

Mr. SUTHERLAND. The policy of this department as to coal and oil fields is liberal. Mr. Fall's ruling is very liberal—I do not think you could ask for anything more.

Mr. FINNEY. We are granting permits as fast as possible and they are on very liberal terms.

Mr. STRONG. The American people have been led to believe that Alaska should be locked up. There are many people who still believe that it should be locked up, and until its resources are released it will be almost impossible to get enough people up there to pay to maintain the road.

The CHAIRMAN. It will not be impossible for us to report out a bill, and then it is up to Congress and the people.

Mr. RANKIN. The minerals which the Government owns, in scattered places, cost more than if purchased from individual producers.

Mr. FINNEY. No; the revenues of the United States Government from mineral lands will run into the billions, I am sure.

Mr. RANKIN. That is a hope deferred?

Mr. FINNEY. No; it is not. We had very large revenues last year.

Mr. SUTHERLAND. There has existed a peculiar condition as to the agricultural and mineral rights. In the Matanuska Valley the Geological Survey three or four years ago reported that there was no indication of oil and that what appeared as oil was a little seepage of vegetable oil and gas. Now, they have discovered seepages in the vicinity that are petroleum without any doubt. The department has hastened to change that statement.

The CHAIRMAN. Gentlemen, if you will permit Mr. Finney to conclude——

Mr. FINNEY (interposing). I can conclude in just a few minutes, Mr. Chairman.

The CHAIRMAN. Very well; you may proceed.

Mr. FINNEY. I have here a report from the Alaska Engineering Commission, from which I should like to read one or two paragraphs relative to this railroad:

"The Alaska Railroad has been constructed in a wilderness where every agency had to be developed and carried along with the actual road construction. Ocean docks, towns and camps, railroad shops, supply terminals, and even the wagon roads over which to haul the supplies had to be constructed as a necessary part of the plan. Railroad rolling stock, construction equipment, and supplies of every description had to be transported 1,500 to 2,500 miles from Seattle, the nearest Pacific coast port.

Notwithstanding the conditions above outlined, the Alaska Railroad has cost about $80,250 per mile, inclusive of rolling stock and terminals"——

Mr. STRONG (interposing). Inclusive of rolling stock and terminals?

Mr. FINNEY (continuing reading).

"Inclusive of rolling stock and terminals, or $67,630 per mile exclusive of same. It should be understood that of the moneys appropriated to date by Congress only $37,665,000 has gone into railroad construction, including terminals and rolling stock. Large sums have been expended in coal mining, railroad operation, and maintenance of completed sections, in excess of revenue received.

"Development of many kinds has proceeded along the line as track has been extended from the coast inland and from Fairbanks and Nenana southward. A number of homesteaders pushed into the Matanuska Valley as early as 1916 and began clearing their land and raising crops. In the Tanana Valley of the interior agricultural development is much further advanced than elsewhere in Alaska and this development has continued.

"In the mining districts of Kenai Peninsula, Crow Creek, Willow Creek, Cache Creek, Fairbanks, etc., there has been considerable development, and placer and quartz gold, antimony, tungsten, etc., have been produced in considerable quantities. Development in this line would have been much more rapid but for the high cost of everything entering into the production of minerals."

Gov. Bone, the new governor of Alaska, has just been over the completed portions of the road and I want to put into the record just a short extract from his annual report:

"This governmental railroad will pay—not in immediate or early financial returns or even interest upon the investment, but surely and substantially in the ultimate benefits which will be derived both to the Territory and the Nation. How soon it will pay and demonstrate the wisdom of its cost of fifty millions and more, will depend upon how wisely and farsightedly the Government henceforth deals with this vast domain in the northland," etc.

The CHAIRMAN. Is that all?

Mr. FINNEY. Yes, sir.

Mr. SUTHERLAND. That is a continuation of the extract from his report?

Mr. FINNEY. Yes, sir.

The CHAIRMAN. I want to put into the record an editorial from Collier's Weekly of August 27, 1921:

"In 1897 J. C. Smith with his bride homesteaded on Simeonof Island, on the Alaskan coast. The Smiths were of the sort that have made the United States great. In a little while a tiny farm was blooming upon the island. In the years that passed nine children were born. In their sturdy, kindly, courageous way the Smiths were happy. One day they received a form letter from a bureau chief at Washington:

"'Simeonof Island has been set aside for a fox-farming reservation. Bids are invited.'

"Smith did not want to farm foxes. He knew nothing about fox farming. The Smiths had worked for 17 years to create that little farm on the islet in the Bering Sea. They had assumed that some day their homestead application would successfully run the gauntlet of the desk holders in Washington and that a home would be secure to them for their old age. But the bureau chief was successful in forcing fox farming on the Smiths.

"The Smiths leased the island—leased this island, which they had tamed and gentled and made mildly to bloom—for $250 a year, in order that it might not be wrested from them. Then Smith died. His friends say that he died of a broken heart. The last report on Simeonof Island reads as follows:

"'Lease forfeited for nonpayment of rent.'

"The bureau chief had meant no harm. Some one had persuaded him that enormous revenues might be secured for the Government by fox farming. No doubt he was well meaning and kind-hearted, but he had been handling a business of which he knew little.

"J. C. Smith's story tells what is the matter with Alaska. Alaska does not need bureau-directed development. Alaska needs only a chance. Alaska needs to be somewhat let alone. Colorado was not developed by the Government. California wasn't developed by the Government. They were too near at hand. It was too easy for the settlers of Colorado and California—big, heavy-handed, brusque pioneers—to come to Washington and be violently unpleasant.

"Alaska is governed by 38 different governmental bureaus, commissions, and independent organizations. Each makes its own laws and regulations. If the rules of one conflict with the rules of the other 37, so much the worse for Alaska. Everything must be referred to Washington. A decision rarely reaches Alaska inside of six months," etc.

That has nothing to do with the railroad.

Mr. DOWELL. That meets your approval, without any mental reservation?

The CHAIRMAN. Yes.

Mr. STRONG. I want to add my "amen."

Mr. FINNEY. The Department of the Interior has nothing to do with fox leases.

The CHAIRMAN. No; it has not. I wish it did have. If I had my way about it, it would.

We will now hear from the representative of the Alaska Engineering Commission.

Mr. GILLMAN. Mr. Chairman, I hardly believe that I have anything to add to the testimony presented by the First Assistant Secretary, Mr. Finney. It was not my intention to give any testimony before the committee. I want to say, however, that I am confident that the $4,000,000 asked for will complete the construction work. I should like also to put into the record the fact that all the people who have appeared before the various committees of Congress in connection with the construction of this Government railroad did not agree that the $17,000,000 was sufficient to cover the construction work. Col. Mears fully stated before the House Committee on Appropriations last winter that the money that we had left out of the $17,000,000, $4,000,000, would not complete the construction work, and he set forth in the record the reasons why the money would not be sufficient.

I think Assistant Secretary Finney has fully covered the bill, as I have stated before, and I have nothing further to say, unless the gentlemen have some questions they want to ask, which I hope I will be able to answer.

Mr. DOWELL. How long have you been connected with the work?

Mr. GILLMAN. I have been with the commission, in the Washington office, since May 16, 1916.

Mr. DOWELL. You say that you are an engineer?

Mr. GILLMAN. No; I am not an engineer.

Mr. DOWELL. You have been in the Washington office?

Mr. GILLMAN. Yes, sir. The Washington office is a sort of liaison office between field officers of the commission, the Secretary of the Interior, and the other departments and bureaus of the Government. I have handled the necessary paper work that comes through the Washington office.

The CHAIRMAN. How much per mile will this road cost with the extra $4,000,000?

Mr. GILLMAN. Col. Mears stated, as Secretary Finney read from his report a short time ago, in the neighborhood of $80,000.

The CHAIRMAN. A mile?

Mr. GILLMAN. Yes, sir.

Mr. RANKIN. And 539 miles?

Mr. GILLMAN. Yes, sir. That, of course, does not include the maintenance and operation; that is the cost of construction, and it does not include the amount we have spent for coal mining.

The CHAIRMAN. How much did you pay for the two railroads that you bought?

Mr. GILLMAN. $1,157,839.49 for the Alaska Northern and $300,000 for the Tanana Valley Railroad.

The CHAIRMAN. How long are the Alaska Northern and the Tanana Valley Railroads?

Mr. GILLMAN. The Alaska Northern 71 miles and the Tanana Valley 44 miles.

The CHAIRMAN. The Alaska Northern had to be rebuilt?

Mr. GILLMAN. Practically rebuilt. There was considerable raising of grade to be accomplished, construction of new bridges, and changes in alignment.

The CHAIRMAN. Was that a standard road?

Mr. GILLMAN. Standard.

The CHAIRMAN. What was the weight of the rails?

Mr. GILLMAN. The present rails are 70 pounds.

The CHAIRMAN. Could you use those rails?

Mr. GILLMAN. You mean the original rails?

The CHAIRMAN. Yes, sir.

Mr. GILLMAN. We put in new rails in some instances and used the old rails.
The CHAIRMAN. That was a standard-gauge road?
Mr. GILLMAN. Yes, sir.
The CHAIRMAN. And the other road?
Mr. GILLMAN. It was narrow gauge.
The CHAIRMAN. With 40-pound rails?
Mr. GILLMAN. Yes, sir.
Mr. MOORE. There is apparently a discrepancy in these figures. The 540 miles at $80,000 a mile would cost $43,000,000. This appropriation makes a total of $55,000,000. You say that the two roads you purchased cost less than $2,000,000? Where is the difference of $11,000,000?
Mr. GILLMAN. The $11,000,000 has gone into maintenance and operation, coal mining and other activities, town sites——
Mr. STRONG (interposing). Terminals, electric light plants, waterworks.
The CHAIRMAN. What has been the development of the town sites?
Mr. GILLMAN. We practically built the town of Anchorage. I can not say at just what cost. We had supervision over the town of Anchorage up to last year, when the town incorporated. They have not taken over the public utilities. We still furnish the town with light and power, furnished over one meter, and the distribution of that cost is made by the town among the users of the power.
Mr. DOWELL. What expenditure was made there?
Mr. GILLMAN. I can not say exactly, but I can furnish that.
The CHAIRMAN. I think that was inserted in the hearings last year.
Mr. FINNEY. The lots were disposed of at sale, and the Government constructed the sewerage, lighting, and other facilities, because apparently it was necessary.
Mr. DOWELL. Has the Government been able to get any of this money back?
Mr. FINNEY. Yes, sir; there have been considerable revenues.
Mr. DOWELL. Does the plan contemplate that that money is to be returned, or is it to be a total expense?
Mr. GILLMAN. The money that has been turned back has gone into the appropriation to reimburse the commission for the expense of establishing the town sites. We have not gotten all of the money back by any means. We tried to get a provision in our act several times—one year we had a provision whereby the money we expended was reimbursable, and the two following years we tried to get that provision in the annual appropriation act, but it was stricken out every time.
Mr. DOWELL. You are not still expending money for this work?
Mr. GILLMAN. Not in Anchorage.
Mr. DOWELL. At any other place?
Mr. GILLMAN. We are withdrawing from the activities in Nenana.
Mr. DOWELL. Is any part of this money to be used for town-site purposes?
Mr. GILLMAN. No, sir; not for town-site purposes.
Mr. DOWELL. Is there any contemplated in appropriations already made?
Mr. GILLMAN. No, sir; nothing in the other appropriations.
Mr. DOWELL. As I understand it, the department has entirely abandoned any further expenditure of money on town sites?
Mr. GILLMAN. Yes, sir.
Mr. DOWELL. Is any effort being made to get back the money?
Mr. FINNEY. That comes back to the sale of lots; that is the principal revenue. The town lots are sold at public auction on installments, and this produces a certain amount of revenue flowing back into the Treasury.
Mr. DOWELL. There is no proposition that will require appropriations in order to take care of appropriations already made and expended on these town sites?
Mr. FINNEY. None whatever.
Mr. STRONG. As I understand, the cost of the town sites, the electric plant, sewerage, etc., was taken out of the railroad funds?
Mr. GILLMAN. Yes, sir.
Mr. STRONG. And when you sell the lots the proceeds go into the Treasury?
Mr. GILLMAN. Yes, sir.
Mr. STRONG. So the expense of the building of the railroad includes the cost of town sites and the building of the public utilities, which really should not be charged to the railroad, as when sold the money will go back into the Treasury?
Mr. GILLMAN. Yes, sir.

Mr. DOWELL. Do you know how much of this money has been expended on town sites?
Mr. GILLMAN. I can not tell you offhand. We can get that for you if you desire it.
Mr. STRONG. Ten or eleven million dollars of the appropriation for the railroad has been spent on town sites, public utilities, and the development of coal operations?
Mr. GILLMAN. Yes, sir; together with cost of maintenance and operation of completed sections of the railroad.
Mr. DOWELL. Do I understand that your department is developing coal up there, and that the Navy Department also is developing the coal industry?
Mr. FINNEY. We opened the coal mine at an expense of $240,000 or $260,000 to supply coal to the railroad and to run the construction, and in time of coal shortage we sold some coal to the people in the town of Anchorage.
Mr. DOWELL. Are you still expending money for that purpose?
Mr. FINNEY. We have up to the present time handled the coal out of this mine and put it on the railroad.
Mr. DOWELL. Does that come out of the railroad's appropriation?
Mr. FINNEY. Yes, sir.
Mr. DOWELL. How much have you expended out of the railroad's appropriation for coal experimenting?
Mr. FINNEY. It is not experimenting. I do not like that term. It is getting the coal out for use. We actually get the coal out.
Mr. DOWELL. As I understood a moment ago it had not gotten beyond the experimental stage and I presumed, not having gotten beyond that stage, that it was experimenting.
Mr. GILLMAN. That is the Eska mine. We have been taking coal out of that mine since 1917, which has been used on railroad work. Up to May 31, 1921, we had expended $872,342.19 on operating and maintaining this mine.
Mr. DOWELL. As I get it, your department is expending that money not entirely for coal for the railroad, but for the development of a mine up there and the Navy Department is also expending money in developing the coal fields for the purpose of supplying the Navy. Is that correct?
Mr. FINNEY. Not quite. We did not spend any money purely for the purpose of developing a mine. Our main purpose in opening the mine was to secure coal for the railroad so as to obviate the necessity of importing it from the States to Alaska.
Mr. DOWELL. You spent nearly $1,000,000 for securing coal for the railroad?
Mr. FINNEY. Yes, sir.
The CHAIRMAN. They got that coal at about $5 a ton.
Mr. FINNEY. The cost ranged from $5 to a maximum of $7 a ton.
The CHAIRMAN. They only developed the coal mine for the use of the railroad, they did not mine any more than the railroad needed.
Mr. DOWELL. For no other purpose than to feed the railroad?
The CHAIRMAN. Yes, sir; that is correct, except to incidentally supply the people of Anchorage during a shortage.
Mr. SUTHERLAND. As I understand, they have coal sufficient at Anchorage to last them until next summer.
Mr. FINNEY. Last year Congress appropriated $1,000,000 to enable the Navy to determine whether there was a deposit of coal, quality and quantity, suitable for naval purposes.
Mr. DOWELL. Experimental?
Mr. FINNEY. Yes, sir. They sent up a commission and they wanted to begin work by taking over the mine previously opened by the Alaska Commission. We allowed them to take that mine. We did not charge them for the amount of money for running tunnels, $240,000. The Navy took them as they found them, put in the necessary buildings for their people to conduct some tunnel work, and a lot of diamond drilling with the idea of developing a coal supply for the Navy.
The CHAIRMAN. Are there any further questions, gentlemen?
Mr. FINNEY. I just wanted it to appear that there was no duplication between the two departments.
Mr. DOWELL. You say that you furnished coal to Anchorage; did you not sell it?
Mr. FINNEY. We sold coal to the residents of Anchorage two or three winters when there was a coal shortage, and when it was not practicable for them

to get coal from the outside at any reasonable cost. It was an emergency measure to help the people out and not from any desire on the part of the Government to go into commercial business.

Mr. DOWELL. As I understand, the Delegate states that they have enough coal now on hand to last them all winter. Was that furnished by your department?

Mr. SUTHERLAND. That is the railroad.

Mr. FINNEY. He is talking about coal mined for the railroad.

Mr. GILLMAN. In that connection, may I read an extract from Col. Mears's report?

The CHAIRMAN. Certainly.

Mr. GILLMAN (reading):

"To June 30 there has been expended at Eska $1,130,242.49, of which $225,111.79 is in permanent investment. The remainder of $905,130.70 has been spent in maintenance and operation, for every $5.32 of which there has been produced a ton of coal, making a saving of approximately $10 per ton on 170,286 tons of coal, over the cost of British Columbia or Washington coal delivered at Seward or Anchorage."

This certainly justifies the commission's opening a mine to obtain coal for construction and operation of the railroad.

Mr. DOWELL. That has been developed by your department?

Mr. GILLMAN. The Alaska Engineering Commission.

Mr. FINNEY. Primarily for railroad purposes.

The CHAIRMAN. Entirely railroad purposes. There was an actual shortage of coal, and in order to accommodate the people and so they would not be cold and could have coal to burn in their stoves the railroad sold them some coal in order to meet the emergency, but the railroad is not in the coal business.

Mr. GILLMAN. We sold that coal at the same price that the private operators sold it in Anchorage, so that there would be no criticism or comment.

The CHAIRMAN. You have been over that railroad?

Mr. GILLMAN. While I am not an engineer, I have been over that railroad myself, and I think the construction work done is equal to any railroad construction in the West.

The CHAIRMAN. What is the pleasure of the committee?

Mr. STRONG. I move that the bill be reported favorably by the committee.

The CHAIRMAN. With an amendment in line 2, on page 2, strike out "$3,110,210" and insert in lieu thereof "$4,000,000." I will say that the supplemental estimate of Col. Mears presented by Mr. Finney shows that $889,790, in addition to the $3,110,210, or a total of $4,000,000 in addition to the appropriations already made, will be necessary to complete the road.

Mr. DOWELL. That is just the question I asked a while ago, if this is final.

Mr. FINNEY. The original estimate of $3,110,210——

Mr. DOWELL (interposing). I have lost faith in estimates. It always appears that if a bill is about to be reported something has been forgotten or neglected, and if there is a favorable report they seek to increase the amount. I was wondering if this will be followed up in the Senate.

The CHAIRMAN. I can clear up that situation by saying that after the original estimate was submitted I took up the matter with the Secretary of the Interior and with Mr. Finney and asked certain questions as to what this $3,110,210 proposed to do. I thought probably it did not cover all the work that was necessary. The other $800,000 might possibly be charged to maintenance and be appropriated on budget estimate by the Committee on Appropriations, but to do away with any technicality and to make certain the early completion of the road I thought the entire amount should be included in this bill, so that Congress will know exactly how much it is going to cost to put this railroad in operation and have the trains running from one end to the other.

Mr. DOWELL. The trouble is we have not had such accurate information here for a good many years, and every one who has estimated has found later that he wanted more money, and while I assume the chairman's statement is correct I still am doubtful as to the finality of these estimates.

Mr. GILLMAN. Mr. Chairman, I want to justify Col. Mears' estimate. When he appeared before the Appropriations Committee he told the committee frankly that the balance of $17,000,000 was not enough to complete the road.

Mr. DOWELL. He was before this committee also.

Mr. GILLMAN. Just a moment, please. And if my memory serves me right, when it comes to the $17,000,000 estimate, he did not fully agree with that estimate.

Mr. SUTHERLAND. Who did not—Col. Mears?

Mr. GILLMAN. Yes. Col. Mears had nothing to do with the compiling of that $17,000,000 estimate.

Mr. DOWELL. I do not know whether it was Col. Mears or somebody else, but I do know that there was a hearing before this committee on the authorization of $17,000,000, and it was very clearly understood by this committee that that closed the books and was ample to complete this road.

The CHAIRMAN. That is true. I did not believe it at the time. The $3,110,210 was supposed to complete the road, but there were certain items that I thought ought to have been included in that estimate that were not included; for instance, the standardization of the narrow-gauge portion of the road and the ballasting of the road and matters of that kind that could legitimately be charged up to maintenance later on and could come out of the Appropriations Committee without coming through this committee at all. At my request Mr. Finney telegraphed up to Col. Mears for a supplemental estimate to find out exactly the amount of money that it would take to complete this road in its entirety, including the standardization of the narrow gauge and putting in 70-pound rail, the purchase of any rolling stock, additions to terminals, etc., that was necessary so as to have the road absolutely completed and ballasted and equipped from one end to the other. The result of that was that this extra $887,790 estimate was brought in. Now, the road can be completed with the $3,110,210, but it can not be completed and equipped and standardized for that, and I insisted that the full estimate should be brought here so that this time we would pass a bill authorizing the full amount necessary to complete the road in its entirety, rolling stock, standardization, and everything else.

Mr. SUTHERLAND. I would like to say to the committee that the work on the railroad is to-day progressing in fine shape. They have their organization and their constructing force on an efficient basis. That has not always been so in the past. There has been some very poor work done in the past in the spending of this money, and, of course, war conditions interfered with them. They were not able to secure help up there a year ago last summer, and they had to come down to the Pacific coast cities, San Francisco and Seattle, and pick up help to bring into Alaska. The help you get in the Pacific coast cities in midsummer is the very poorest in the United States, and that held them back a good deal. Another thing, it is now a one-man commission. Formerly, it was composed of three, and there never was a better illustration of the efficiency of a one-man commission as compared with one of three men or of several men.

Mr. DOWELL. There was a time when they did not have any of the three.

Mr. SUTHERLAND. You will remember that Col. Mears was in the war. I think he is really the strong man in the organization and always has been, but he had to go to the war.

The CHAIRMAN. Col. Mears did not seek this appointment. It came to him as a result of the work he had done previously.

Mr. DOWELL. I am not reflecting on Col. Mears, but when Col. Mears went away—and he went, of course, for a good purpose—the other commissioners were not in action, and there is where we had our trouble.

Mr. SUTHERLAND. It was going on, but it was at loose ends. I will not say it was the absence of Col. Mears that caused it, but it was evident to the people up there that the work was not going on as it should.

The CHAIRMAN. When the war broke out, Col. Mears thought his proper place was in the Army. He is an officer in the Army and he asked to be relieved of his duties in Alaska. He went back in the Army and went over to France and did good work there. When he came back he was in the Army service and was assigned down in Texas somewhere. He did not care about going back to Alaska, but he was requested to go back and complete the work, and the War Department loaned him to the Interior Department for that purpose. He went back to Alaska, and the Secretary of the Interior or the President reduced the membership of the commission from three to one, and put Col. Mears in control. I think since Col. Mears has been in control we

have had a little more efficient service than we had before. He did not seek the place. He probably would have preferred to remain in the Army. Col. Mears constructed the Panama Railroad under Gen. Goethals, and I know that Gen. Goethals was offered this position in Alaska and was asked to accept it, and he said that he was going into private business. He was then asked to suggest some one and he suggested Col. Mears. That is the way Col. Mears was originally appointed on the commission.

Mr. STRONG. Mr. Chairman, I move that the bill be amended on page 2, line 2, by striking out the figures "$3,110,210" and inserting in lieu thereof the figures "$4,000,000," and that, as amended, the bill be favorably reported by the committee, and that the chairman be authorized to ask for a special rule, if, in his opinion, that should be necessary.

The motion being duly seconded by Mr. Moore, prevailed.

(The committee thereupon adjourned.)

MSH # 22056

END OF
TITLE